

Washington Horse Racing Commission
Meeting Minutes
March 12, 2009

Meeting Convened at 9:30 a.m. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Dr. Bud Hallowell, DVM, Commissioner; Hartly Kruger, Commissioner; Marta DeLeon, Assistant Attorney General; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary.

Item #1. Approval of the meeting minutes of February 12, 2009.

Commissioner Colliton moved to approve the minutes as submitted. Commissioner Hallowell seconded the motion. Unanimously approved.

Item #2. Commissioners' report.

Chairman George stated he didn't have anything to report.

Commissioner Hallowell said he had attended the awards banquet, a farewell party for Ms. Susie Sourwine who was leaving and a meeting that included the race track practitioners, Dr. Sally Calkins, WHRC Equine Medical Director and Jack Hodge, Vice President, Emerald Downs to discuss backstretch equine health issues.

Commissioner Colliton mentioned he'd read a good article about Emerald Downs.

Mr. Lopez updated Commissioner Colliton on the progress regarding off-season employment by WHRC employees.

Commissioner Colliton asked Mr. Hodge about the number of horses on the grounds at Emerald Downs, Mr. Hodge confirmed approximately 800 head.

Commissioner Kruger had nothing to report.

Item #3. Emerald Downs report.

Mr. Hodge said the Emerald Downs stakes schedule wasn't included in the 2009 Emerald Downs meet packet the Commission approved at the last meeting and said it had been completed and furnished a copy to the Commissioners.

Mr. Hodge reported Emerald Downs to be 15% down through one-hundred days of simulcasting compared to last year. Mr. Hodge said there was a concern regarding the bankruptcy announcement from Magna Entertainment Group.

Frank McDonald, President HBPA, spoke regarding the owner's bonus and breeder's awards splits between the race track and the horsemen and owners. It was his opinion the horsemen should have the say on whether the awards should be split fifty-fifty or given 100 percent to the

owners and breeders and not split them. He felt a consensus should be obtained from the recipients of the awards as to whether they were in favor of splitting them with the race track or not.

Mr. Hodge said he'd attended a meeting with Mr. Crockett and the horsemen organizations with the intent to bring the organizations together on this subject and had left that meeting feeling pretty good about the direction to take and a feeling that there would be further discussions.

Dana Halvorson said he also had the same feeling from the meeting and felt they were heading toward a united front.

Karla Laird who is associated with the both the HBPA and the breeders, said the groups need to work together and felt Mr. McDonald was speaking for himself personally.

Item #4. TwinSpires license renewal.

Mr. Lopez presented the license renewal for TwinSpires and after conducting a background investigation found nothing that would preclude TwinSpires advance deposit license renewal and recommended approval.

Brad Blackwell appearing on behalf of TwinSpires spoke about some new technology was being developed to attract new wagerers and asked for approval of the license renewal.

Commissioner Kruger moved to approve the license renewal for TwinSpires advance deposit wagering license. Commissioner Colliton seconded the motion. Unanimously approved.

Item #5. Porterhouse – Satellite location.

Richard Smith, WHRC Investigator, said the Porterhouse in Moses Lake had been in operation for some time as an Emerald Downs satellite facility and this application was for a change of ownership only. Mr. Smith had completed background checks. He had contacted the Gambling Commission, Liquor Control Board and local law enforcement and found nothing detrimental to preclude approval of the ownership change at this site. Staff recommended approval.

Bob Fraser, Vice President, Operations for Emerald Downs said this site was not one of the best sites, but was worth keeping.

Commissioner Kruger moved to approve the ownership change for the Porterhouse satellite site in Moses Lake. Commissioner Colliton seconded the motion. Unanimously approved.

Item #6. 2009 Japanese racing schedule.

Mr. Lopez said a letter approving the finalized schedule for 2009 Japanese racing simulcasts had been sent on February 13th and a copy of that letter was included for the Commissioner's information.

Item #7. Equine Health Issues:

a. AAEP

Mr. Lopez said a “white paper” had been received from the American Association of Equine Practitioners (AAEP) which places the welfare and safety of the horse first. Mr. Lopez said there are items in the paper that the WHRC has already done, some that will be done and some that cannot be done. Mr. Lopez placed this item on the agenda to open a discussion on the recommendations it sets forth.

Commissioner Hallowell said there’s a lot of good to be done by putting the welfare of the horse first, he said he would like to possibly form a committee to have meetings with the owners and trainers and take proposals on how to accomplish this. He said an effort needs to be made to garner public approval, to promote the health and welfare of a horse. But also said that most programs require money, they have good ideas but they require funding, and asked if anyone knew how to get funding to promote putting the horse first.

Commissioner Colliton said it’s a fifteen billion dollars business industry. With smaller fields there’s more pressure to enter horses to make the program.

Chairman George asked if the industry will ever have a uniform medication testing program.

MaryAnn O’Connell, Executive Director, Horsemen’s Benevolent & Protective Association (HBPA) answered Chairman George’s question and said they’re getting closer every day. Need to educate the public.

Commissioner Hallowell said the public needs to be educated. We need to work on public relations.

Mr. Hodge said the National Thoroughbred Racing Association (NTRA) is establishing an alliance for race tracks with an accreditation program and when they come to evaluate Emerald Downs he is confident they will receive high marks.

MaryAnn O’Connell said she is a part of the Alliance and will be able to provide the Commissioners updates on the monthly meetings.

b. EHV and MRI

Commissioner Hallowell had attended a meeting with veterinary medical staff and found that Dr. Wendy Mollate from Pilchuck works with UC Davis and sends viral samples to be tested at no charge. Dr. Mollate said for respiratory or viral outbreaks at Emerald Downs she may be able to send samples with her samples for testing. Commissioner Hallowell said catching the virus at the optimum time is critical. The problem is, reporting a sick horse, there’s fear the meet will be shut down due to an outbreak. He said the veterinarians are the front line for information. He thought that the HBPA might be able to send out vaccination information to the owners a couple of weeks to a month before exposure.

Commissioner Hallowell spoke on the WHRC MRI program being done by Washington State University. At the last meeting, it was discussed that the MRI program had more money being spent than good information being sent back. He said he felt that the work being done may be repetitive of other work that's being done. It was decided to let the MRI program be in suspension for the time being.

MaryAnn O'Connell said it was very valuable to have a meeting with the vets periodically.

TEN MINUTE BREAK. 11:17 a.m. RECONVENED. 11:30 a.m.

Item #8. Executive Secretary's report.

a. Status of agency request legislation.

Mr. Lopez updated the Commissioners on the status of SB 5125 regarding the owners' bonus fund and breeder awards account. He provided a letter written to Representative Conway to quash the house version of this legislation and allow the senate version to complete the process.

b. GMAP.

Mr. Lopez updated the Commissioners on the Government Management Accountability and Performance (GMAP) report to the Governor for 2008. The report measures participant safety, improving equine and jockey safety, random drug and alcohol testing, veterinary pre-race inspections, veterinary post-race testing, licensing photofinish and clocking.

Mr. Lopez said the report will be submitted to the Governor's office next week.

c. Washington State Quality Award.

Mr. Lopez provided a copy of the draft Quality Award to the Commissioners for comments, additions or deletions. The award must be submitted no later than July 1, 2009. Mr. Lopez said a bill had been introduced in the legislature to exclude smaller agencies from the burden of submitting the award, but the bill died in committee and the WHRC is still required to submit it.

d. Accountant's recap.

Mr. Lopez explained the accountant's recap of revenue for February 2008 in comparison to February 2009 by calendar year and wagering month.

e. 2007-2009 Budget – Monthly report.

Mr. Lopez explained the revenues, expenditures and fund balance for the WHRC for the month of February 2009.

Item #9. Any other business that may be properly brought before the Commission.

It was announced the date and time for the April 2009 meeting has changed to April 17, 2009 at the Auburn City Council Chambers with the meeting to begin at 10:30 a.m. for the month of April only. The WHRC would return to the published schedule for the May 14, 2009 meeting.

Commissioner Colliton suggested meeting with the WHRC ex-officio members to bring them up to date with Commission business. Chairman George said he would be in Olympia on March 25 to attend the exit conference by the State Auditor's office on the WHRC audit and would try to set a meeting with them.

Meeting adjourned at 12:02 p.m.

Robert J. Lopez, Executive Secretary